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ANNUAL REPORT

OF

THE NASH MOTORS COMPANY
(MARYLAND CORPORATION)

FISCAL YEAR ENDED NOVEMBER 30, 1922

TO THE STOCKHOLDERS:

Your Company closed a satisfactory business year on November 30th.

Although operations the first three months were not profitable, owing to the uncertainty of conditions, we experienced during the following nine months a good demand for our product and our factories ran practically to capacity so that we produced and sold more than 40,000 automobiles for the fiscal period.

This volume of business in dollars totalled more than $40,000,000 and the average number of employees was in excess of 4,000.

Our inventory was taken November 30th and showed itself to be well-balanced, though larger than heretofore.

The inventory had been built up in anticipation of increased business during the winter and spring and because difficulty in obtaining material was foreseen.

Our orders on hand today are much larger than a year ago and we look forward to a greater volume of business during 1923 than in 1922.

We believe that the prices of automobiles can be considered at the bottom and that the cost of producing them will increase.

Nearly every element entering into the manufacture of automobiles is higher in cost today than a few months ago and there are indications that this upward trend will continue for a while.

At this juncture we wish to point out that the automobile business, due to stiffening competition, will be necessarily conducted on a much smaller margin of profit.

We are confident, however, that we have embodied in our product so broad a measure of quality that we shall command a satisfactory share of business for 1923.

During the year just ended our four-cylinder plant at Milwaukee produced approximately 15,000 automobiles. When you recall that this plant was built and operations begun during the depression it can be seen that substantial progress has been made and now we find this plant on an excellent basis.

Our net profits for the year, after deducting all expenses, inventory reserves, depreciation, and both State and Federal taxes, amounted to $7,613,246.11.

Our balance sheet shows accounts payable of $2,586,970.58. These embrace current bills which constitute the sole indebtedness of the Company.

The cash position of the Company is strong, with cash on hand, in banks, and government securities totalling $18,587,387.24. This enables us to avail ourselves of the lowest prices in purchasing materials. Under present conditions it seems wise to retain substantially all this fund for use in the business.

MRB
CORP. FILE

Throughout the year there has been expended $760,177.79 for new buildings, machinery and equipment at the Kenosha and Milwaukee plants. Also a considerable expenditure has been required for upkeep of plant and equipment, which properly has been charged to operating expense.

During the year the Company has retired through sinking fund five thousand (5,000) shares of its Preferred Stock. It has, in addition, made other purchases of its Preferred Stock for temporary investment, so that the total outstanding as of November 30th in the hands of investors was $2,123,100. The balance of this stock has been called for retirement as of February 1st, 1923.

Since the Company began business in August 1916 there has been paid out in dividends to stockholders but a small proportion of our earnings, as we have preferred to provide from earnings the new capital needed to finance the rapid growth in our plant facilities and the required increase in our quick capital.

This last year it seemed as though we had reached the time when we should capitalize a large part of profits retained in the business by the declaration of a substantial stock dividend in the form of preferred and common stock.

During this last fiscal period the Company has acquired a large majority of the first preferred and common stock of the Lafayette Motors Corporation and a new factory has just reached completion, located in immediate proximity to the Nash four-cylinder plant at Milwaukee. This new Lafayette plant will be in active production by the end of the present month.

Herewith are presented to you the balance sheet as of the close of the fiscal year, and the profit and loss statement.

By Order of the Board of Directors,

CHARLES W. NASH,
President.

January 8, 1923.

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O F F I C E R S

CHARLES W. NASH
President

WALTER H. ALFORD
Vice Pres. and Comptroller

ROBERT F. HERRICK CHARLES B. VOORHIS
JAMES T. WILSON
Vice-Presidents

GEORGE H. EDDY
Treasurer

HORACE J. MELLUM
Secretary

D I R E C T O R S

JAMES J. STORROW, Chairman

WALTER H. ALFORD FREDERIC W. ALLEN EMORY W. CLARK
ROBERT F. HERRICK CHARLES T. JEFFERY THOMAS M. KEARNEY
CHARLES W. NASH SAMUEL F. PRYOR

BALANCE SHEET AS OF NOVEMBER 30, 1922

ASSETS

Fixed:		
Real Estate, Plant and Equipment at Cost	$8,349,212.89	
Less Reserve for Depreciation	3,224,809.85	
		$5,124,403.04
Investments--Miscellaneous*		3,813,624.40
Current:		
Material and Supplies (taken at cost or market value, whichever is lower)		4,464,027.20
Notes Receivable		72,500.00
Accounts Receivable		2,486,788.77
Cash in Banks and on Hand		10,383,984.99
U. S. Treasury Certificates		7,002,500.00
U. S. Liberty Loan Bonds		1,200.902.25
Deferred:		
Prepaid Expenses		2,626.92
TOTAL		$34,551,357.57

LIABILITIES

Capital Stock:		
Preferred (Authorized 195,000 shares) outstanding 35,000 shares)	$3,500,000.00	
Common (Authorized 55,000 shares) outstanding 54,600 shares)	510,000.00	
		4,010,000.00
Accounts Payable		2,586,970.58
Reserves:		
For Federal Taxes		3,333,420.49
For Other Taxes		1,057,194.36
For Possible Losses in Accounts Receivable		128,405.35
For Miscellaneous Purposes		578,728.28
For Contingencies		2,729,466.41
Surplus		20,127,172.10
TOTAL		$34,551,357.57

*Note: Miscellaneous Investments comprise:

Nash Motors Company--Common Stock	$54,914.77
Nash Motors Company--Preferred Stock	1,455,130.93
Kenosha Homes Company	40,000.00
Real Estate and plant occupied by Seaman Body Corp.	876,490.63
Stock in LaFayette Motors Corporation	808,000.00
Southwest Nash Motors Co.,Oklahoma City, Okla.	20,066.67
Martin Nash Motors Co., Atlanta, Ga.	50,000.00
Nash Cincinnati Motors Co., Cincinnati, Ohio	18,555.87
Nash Vriesema Auto Company, Omaha, Neb.	10,000.00
Northwest Nash Company, Minneapolis, Minn.	75,500.00
Stock in Seaman Body Corporation	255,031.44
Kansas City Building	81,503.08
Miscellaneous	620.72
Real Estate Mortgage Loans	67,810.29
TOTAL	$3,813,624.40

PROFIT AND LOSS ACCOUNT

Surplus November 30, 1921		$13,418,094.70
Excessive Reserve for possible losses in accounts receivable charged to 1921 income		231,931.29
		$13,650,025.99
Net Income for year ending November 30, 1922, after deducting expenses of manufacturing (including depreciation), selling, administration and local taxes, but before deducting Federal Taxes	$8,845,509.07	
Provision for Federal Taxes	1,232,262.96	7,613,246.11
		$21,263,272.10
Less:		
Dividends paid on Preferred Stock	$262,500.00	
Dividends paid on Common Stock	873,600.00	1,136,100.00
Surplus November 30, 1922		$20,127,172.10